

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

C.NOS. 17402, 17404-17406/SKT/IT/2026

Dated: 02.10.2026 - HQ* Islamabad

**M/s G.R Extrusion Industry,
(Through Mr. Abdul Qayyum),
C/o. Chaudhry Tax Chamber, 4-K,
Trust Plaza, G.T Road, Gujranwala.**

...Complainant

V e r s u s

**The Secretary,
Revenue Division,
Islamabad.**

...Respondent

Dealing Officer	: Mr. Khalid Javed, Advisor
Appraised by	: Mr. Muhammad Naseer Butt, Advisor
Authorized Representative	: Nemo
Departmental Representative	: Mr. Awais Shafqat Gujjar, ACIR, RTO, Sialkot (V/Link)
Date of hearing	: 13.10.2026

FINDINGS/RECOMMENDATIONS

These complaints were filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) regarding non-issuance of income tax refund amounting to Rs. 2,269,224/-, Rs. 2,343,618/-, Rs. 2,524,534/- and Rs. 3,066,330/- for tax years 2021, 2022, 2023, and 2024 respectively. The complainant filed income tax returns, followed by online refund applications under Section 170 of the Income Tax Ordinance, 2001 on 27.12.2024. The refunds arose due to tax deductions u/s 235, 236, and 153(1)(a) of the Ordinance 2001. However, despite the lapse of significant time period, the department failed to process or finalize the refund applications, hence these complaints.

2. The complaints were referred to the Secretary, Revenue Division, Islamabad for comments under Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, parawise comments

*date of registration in FTO Sectt..



were submitted by the Commissioner Inland Revenue (Refund Zone), RTO Gujranwala vide letters No. 737, 736, 735, and 734 dated 08.10.2026 forwarded by the Additional Commissioner IR (HQs), RTO Gujranwala vide letter No. 1609 dated 08.10.2026.

3. The following preliminary objection has been raised by the department which are responded accordingly.

That the refund application is in a queue as per Board's notification dated 17.10.2024 refund application shall be processed by following FIFO (First in-First Out) method.	• Board's notification dated 17.10.2024 itself excludes Court/FTO cases from the operations of said circular. • Statutory timeline u/s 170(4) cannot be overturned/replaced through administrative instructions. • This plea of FBR has already been dismissed by Presidency in a large number of representations filed by FBR on this account. Matter has attained finality.
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The department stated that the refund applications filed on 27.12.2024 are placed on the FIFO queue at S.#. 1957, 1958, 1959, and 1960 and will be processed in due course of time. It was further stated that notices under Section 170(4) of the Income Tax Ordinance, 2001 have been issued to the taxpayer for hearing on 23.10.2026 and the claims will be adjudicated upon verification of tax deductions.

4. Hearing in these cases was conducted on 13.10.2026. The DR joined the proceedings but complainant/AR did not attend.

5. The perusal of the case record reveals that the Complainant submitted the electronic refund applications u/s 170 for Tax Years 2021, 2022, 2023, and 2024 on 27.12.2024. According to the provision of Section 170(4) of the Income Tax Ordinance, 2001, the department was legally obligated to dispose of refund claims, in either way, within the stipulated time period of 60 days. The department did not dispose of the matter till 08.10.2026 i.e. date of filing of parawise comments.





The above position clearly manifests departmental inaction, delay, ineptitude which tantamounts to maladministration in terms of provision of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

6. FBR to direct:

- (i) the CIR (Refund Zone), RTO Gujranwala to dispose of the pending refund applications of the Complainant for tax years 2021, 2022, 2023, and 2024 in accordance with law, after providing an opportunity of hearing; and
- (ii) report compliance within 30 days.

Dated: 16 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman